

**House Study Bill 628 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/CREDIT UNION  
DIVISION BILL)

**A BILL FOR**

1 An Act relating to credit unions, including methods of  
2 voting by credit union members and the board of directors,  
3 electronic communications to certain credit union members,  
4 the composition of the board of directors, assessment of  
5 fees for examination and supervision, limited negotiated  
6 disclosures of certain confidential information, treatment  
7 of ownership shares, and superintendent management  
8 authority, and making penalties applicable.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 533.108, subsection 1, Code 2011, is  
2 amended to read as follows:

3 1. *a.* Records of the credit union division are public  
4 records subject to the provisions of chapter 22, except as  
5 otherwise provided in this chapter.

6 *b.* Papers, documents, writings, reports, reports of  
7 examinations and other information relating specifically to the  
8 supervision and regulation of a specific state credit union or  
9 of other persons by the superintendent pursuant to the laws of  
10 this state are not public records and shall not be open for  
11 examination or copying by the public or for examination or  
12 publication by the news media.

13 *c.* The superintendent or an employee of the credit  
14 union division shall not disclose ~~such~~ information relating  
15 specifically to the supervision and regulation of a specific  
16 state credit union or of other persons in any manner to any  
17 person other than the person examined, except as otherwise  
18 authorized by this section or section 533.113 or 533.308.

19 *d.* Notwithstanding the prohibition on disclosure pursuant to  
20 paragraph "c", the superintendent or an employee of the credit  
21 union division may disclose information relating specifically  
22 to the supervision and regulation of a specific state credit  
23 union or of other persons if the credit union or other person  
24 consents in writing to the disclosure and the persons to  
25 whom the disclosures are made are subject to, or agree to  
26 comply with, standards of confidentiality comparable to those  
27 contained in this chapter.

28 Sec. 2. Section 533.112, Code 2011, is amended to read as  
29 follows:

30 **533.112 Annual and individual fees — examination fees —**  
31 **delinquencies.**

32 1. Each state credit union shall pay an annual fee for  
33 examination and supervision as determined by the superintendent  
34 based on the actual cost of operating the credit union  
35 division.

1 a. The cost of operating the credit union division shall  
2 include but not be limited to costs and expenses for salaries  
3 and benefits, expenses and travel for employees, office  
4 facilities, supplies, equipment, and administrative costs and  
5 expenses incurred in the discharge of the duties imposed on the  
6 superintendent under this chapter.

7 b. (1) The cost of operating the credit union division  
8 shall also include but not be limited to the costs incurred due  
9 to additional time and other division resources required for  
10 any of the following:

11 (a) Performing services for the credit union that are  
12 customarily performed by the credit union.

13 (b) Performing services related to a particular examination  
14 that exceed estimates for an individual credit union's  
15 examination based on factors including but not limited to the  
16 asset size of the credit union, the complexity of transactions  
17 to be examined, and the examination history of the credit  
18 union.

19 (2) An individual fee assessment for such costs incurred  
20 under this paragraph "b" may be made in addition to a credit  
21 union's annual fee.

22 c. The In establishing the structure of the fee schedule,  
23 the superintendent shall consider recommendations from the  
24 review board and from state credit unions in ~~determining the~~  
25 amount of the annual fee.

26 d. The annual fee may be paid in one or more installments,  
27 as provided by rule by the superintendent.

28 2. Each ~~state credit union,~~ corporation, credit union  
29 service organization, or other person subject to an examination  
30 pursuant to section 533.113 shall pay an examination fee as  
31 determined by the superintendent, which shall reflect but not  
32 be limited to the time required for the examination and the  
33 costs of the examination. ~~The superintendent shall establish~~  
34 by rule an examination fee schedule.

35 a. The costs of the examination shall include but not

1 be limited to costs and expenses for salaries and benefits,  
2 expenses and travel for employees, office facilities, supplies,  
3 equipment, and administrative costs and expenses incurred in  
4 the discharge of duties imposed upon the superintendent under  
5 this chapter.

6 b. The examination fee shall be due within thirty days of  
7 presentation of the fee statement to the corporation, credit  
8 union service organization, or other person examined by the  
9 division.

10 3. In addition to the annual fee and examination fee  
11 assessed pursuant to this section, the division may also assess  
12 a credit union, credit union service organization, corporation,  
13 or other person subject to an examination pursuant to section  
14 533.133 for the expense of accountants, investigators, and  
15 other experts reasonably necessary to assist in the conduct of  
16 the examination, pursuant to section 533.113, subsection 1.

17 4. a. Failure of a state credit union, corporation, credit  
18 union service organization, or other person to pay a fee  
19 pursuant to subsection 1, ~~or 2,~~ or 3 shall result in the fee  
20 being considered delinquent and a penalty equal to five percent  
21 of the original fee may be assessed for each day or part of a  
22 day the payment remains delinquent.

23 b. A fee delinquency under this subsection by a corporation,  
24 credit union service organization, or other person may result  
25 in the superintendent collecting the delinquent fee and penalty  
26 from the state credit union owning shares or investments or  
27 having business transactions or a relationship with such  
28 corporation, credit union service organization, or other  
29 person.

30 c. A fee delinquency under this subsection may also  
31 constitute grounds for revocation of the certificate of  
32 approval of the credit union to operate in this state.

33 Sec. 3. Section 533.113, subsection 6, paragraph e, Code  
34 2011, is amended by striking the paragraph.

35 Sec. 4. Section 533.201, subsections 7 and 8, Code 2011, are

1 amended to read as follows:

2 ~~7. Articles of incorporation may be amended by a favorable~~  
3 ~~vote of a majority of the members present at a meeting, if that~~  
4 ~~number constitutes a quorum and if the proposed amendment was~~  
5 ~~contained in the notice of the meeting.~~

6 ~~8. Bylaws~~ Articles of incorporation or bylaws may be amended  
7 by any of the following methods, upon a favorable vote of a  
8 majority of the board of directors selecting the method of  
9 voting:

10 a. The favorable vote of a majority of the members present  
11 at a meeting, if that number constitutes a quorum and if the  
12 proposed amendment was contained in the notice of the meeting.

13 b. The favorable vote of a majority of the members of the  
14 board.

15 c. By a majority vote of members voting by mailed or  
16 electronic ballot, ensuring ~~the confidentiality of voters~~ votes  
17 remain confidential and secret from all interested parties, and  
18 that each member is only allowed to vote once, according to  
19 procedures specified by rule of the superintendent, requiring  
20 at least twenty days' notice to all members or as specified  
21 in the bylaws. An announcement shall be made to members of  
22 the results of the vote. Ballots shall be preserved for a  
23 reasonable period of time following the vote.

24 d. A combination of procedures as specified in paragraphs  
25 "a" and "c", whereby members are allowed to vote either  
26 in person at a meeting or by mailed or electronic ballot,  
27 according to procedures specified by rule of the superintendent  
28 or as specified in the bylaws.

29 8. If the proposed amendment receives a favorable majority  
30 of the total votes cast in person and by mailed or electronic  
31 ballot under the method of voting selected under subsection 7,  
32 the articles of incorporation or bylaws shall be are amended as  
33 proposed. Notice shall be given to members of the results of  
34 the vote. Ballots of members shall be preserved for at least  
35 sixty days after the results are tallied and notice given to

1 members, and until any challenge is resolved.

2 Sec. 5. Section 533.203, Code 2011, is amended to read as  
3 follows:

4 **533.203 Fiscal year — membership meetings — voting by**  
5 **membership — notice.**

6 1. The fiscal year of all state credit unions shall end  
7 December 31.

8 2. Annual meetings shall be held, and special meetings may  
9 be held, in the manner indicated in the bylaws.

10 a. ~~At all meetings, a~~ A member shall have one vote  
11 regardless of the number of or class of shares held by the  
12 member.

13 b. There shall be no voting by proxy.

14 c. A member other than a natural person may cast a single  
15 vote through a delegated agent.

16 3. a. ~~The majority of members present at any meeting may~~  
17 ~~vote to modify, amend, or reverse any act of the board of~~  
18 ~~directors or instruct the board to take action not inconsistent~~  
19 ~~with the articles, bylaws, or this chapter.~~

20 b. ~~In order to be binding upon the board of directors, any~~  
21 ~~action taken by the membership to modify, amend, or reverse~~  
22 ~~an act of the board, or to instruct the board to take action,~~  
23 ~~requires an affirmative vote of a majority of all eligible~~  
24 ~~members obtained by submitting the modification, amendment, or~~  
25 ~~reversal to the members by mail or electronic ballot, pursuant~~  
26 ~~to rules adopted by the superintendent. When a vote of the~~  
27 membership is required under the provisions of this chapter,  
28 the board of directors, by a favorable vote of the majority  
29 of the board, shall select one of the following methods for  
30 conducting that vote, unless a procedure for that vote is  
31 otherwise specified:

32 (1) The favorable vote of a majority of the members present  
33 at a meeting, if that number constitutes a quorum and if the  
34 proposed vote was contained in the notice of the meeting.

35 (2) By a majority vote of members voting by mailed or

1 electronic ballot according to procedures specified by rule of  
2 the superintendent or as specified in the bylaws.

3 (3) A combination of procedures as specified in  
4 subparagraphs (1) and (2), according to procedures specified by  
5 rule of the superintendent or as specified in the bylaws.

6 b. Notice shall be given to members of the results of the  
7 vote. Ballots of members shall be preserved for at least sixty  
8 days after the results are tallied and notice given to members,  
9 and until any challenge is resolved.

10 4. Votes of the membership conducted in accordance with  
11 this chapter shall ensure that votes remain confidential and  
12 secret from all interested parties, and that each member is  
13 only allowed to vote once.

14 5. When notice to members is required under the provisions  
15 of this chapter, the board of directors may satisfy the  
16 notice requirement by sending the notice electronically to  
17 those members who have exercised an option to receive notices  
18 electronically.

19 6. Credit unions may send account statements and other  
20 communications electronically to those members who have  
21 exercised an option to receive communications electronically.

22 **Sec. 6. NEW SECTION. 533.203A **Vote to modify, amend, or****  
23 **reverse act of board of directors — instruction to take action.**

24 1. The majority of members present at any meeting may vote  
25 to modify, amend, or reverse any act of the board of directors  
26 or instruct the board to take action not inconsistent with the  
27 articles, bylaws, or this chapter.

28 2. In order to be binding upon the board of directors, any  
29 action taken by the membership to modify, amend, or reverse  
30 an act of the board, or to instruct the board to take action,  
31 requires an affirmative vote of a majority of all eligible  
32 members obtained by submitting the modification, amendment,  
33 reversal, or instruction to the members for a vote, pursuant to  
34 the provisions of section 533.203.

35 **Sec. 7. Section 533.204, Code Supplement 2011, is amended**

1 to read as follows:

2 **533.204 Election of board.**

3 1. At the organizational meeting, and at each annual meeting  
4 after initial organization, a board of directors ~~of not less~~  
5 ~~than nine members~~ shall be elected to hold office ~~for such.~~  
6 The board shall consist of at least seven members, but in every  
7 instance shall be composed of an odd number of directors. The  
8 directors shall serve staggered terms of three years, as the  
9 bylaws provide ~~and,~~ so that an approximately equal number of  
10 terms expire at each annual meeting. A director shall serve  
11 ~~until successors are~~ a successor is elected and qualified.

12 2. At each annual meeting, one member shall be elected to  
13 fill each position vacated by reason of an expiring term or  
14 other cause.

15 3. ~~Pursuant to rules adopted by the superintendent,~~  
16 ~~state credit unions may~~ The board of directors shall allow  
17 members to vote on the election of directors ~~via electronic~~  
18 ~~means including but not limited to the internet or telephone~~  
19 according to the provisions of section 533.203.

20 4. A record of the names and addresses of the directors,  
21 officers, and committee persons shall be filed with the  
22 superintendent within ten days following each election or any  
23 other change in the directors, officers, or committee persons.

24 5. ~~a. A state credit union wishing to maintain a board~~  
25 ~~of directors of less than nine members may apply to the~~  
26 ~~superintendent for permission to reduce the required number of~~  
27 ~~directors. An application to reduce the required number of~~  
28 ~~directors under this subsection must demonstrate both of the~~  
29 ~~following:~~

30 ~~(1) The application is necessitated by a hardship or other~~  
31 ~~special circumstance.~~

32 ~~(2) A lesser number of directors is in the best interest of~~  
33 ~~the state credit union and its members.~~

34 ~~b. In no event shall the superintendent allow a state credit~~  
35 ~~union to maintain fewer than seven directors on a state credit~~



1 ~~union board.~~

2 Sec. 8. Section 533.205, subsection 2, paragraph b, Code  
3 Supplement 2011, is amended to read as follows:

4 b. The board may also appoint alternate members of the  
5 credit committee or the auditing committee.

6 Sec. 9. Section 533.208, subsection 3, Code 2011, is amended  
7 to read as follows:

8 3. Suspend by ~~unanimous~~ majority vote any officer,  
9 director, or member of the auditing committee ~~and call the~~  
10 ~~members together to act on the suspension,~~ if the auditing  
11 committee deems the action to be necessary to the proper  
12 conduct of the state credit union. The suspension shall be  
13 put to a vote of the membership, according to the provisions  
14 of section 533.203. The members ~~at the meeting~~ may vote to  
15 sustain the suspension and remove the officer, director, or  
16 member permanently or may vote to reinstate the officer,  
17 director, or member.

18 Sec. 10. Section 533.210, subsections 3, 4, and 6, Code  
19 2011, are amended to read as follows:

20 3. Any member may withdraw from the state credit union  
21 at any time, but advance notice of withdrawal of shares or  
22 deposits may be required as provided in this section.

23 4. After deducting all amounts due from the member to  
24 the state credit union and the amount necessary to honor  
25 outstanding share drafts drawn against accounts of the member,  
26 all amounts paid on shares or as deposits of an expelled or  
27 ~~withdrawing~~ withdrawn member, along with accrued dividends and  
28 interest to the date of expulsion or withdrawal, shall be paid  
29 to that member.

30 6. ~~Withdrawing or expelled~~ Expelled or withdrawn members  
31 shall have no further rights in the state credit union.  
32 However, ~~withdrawing or expelled~~ or withdrawn members shall not  
33 be released from any remaining liability to the state credit  
34 union because of the expulsion or withdrawal.

35 Sec. 11. Section 533.213, subsection 3, paragraph f, Code

1 2011, is amended to read as follows:

2 *f.* Sell all or part of its assets to another corporate  
3 central credit union and assume the liabilities of a selling  
4 corporate central credit union if the action is pursuant to a  
5 plan agreed upon by a majority of the board of directors and,  
6 in the case of the sale of all of its assets, the affirmative  
7 vote of a majority of its members ~~either by mail or in person at~~  
8 ~~a meeting called for that purpose~~ according to the provisions  
9 of section 533.203.

10 Sec. 12. Section 533.302, Code 2011, is amended to read as  
11 follows:

12 **533.302 Capital.**

13 1. The capital of a credit union shall consist of the  
14 payments that have been made to it by the several members  
15 thereof on shares. A credit union may charge an entrance fee  
16 as may be provided by the bylaws.

17 2. A credit union may establish an equity share having a  
18 par value not to exceed one hundred dollars which shall be  
19 a part of the capital of the credit union and shall not be  
20 withdrawn or transferred except upon ~~termination of~~ expulsion  
21 or withdrawal from membership in the credit union, as provided  
22 in section 533.210.

23 3. At the option of the credit union, the equity share may  
24 earn a dividend and may be insured.

25 Sec. 13. Section 533.307, Code 2011, is amended to read as  
26 follows:

27 **533.307 Account insurance.**

28 Except as provided in section 533.302, subsection ~~2~~ 3, a  
29 credit union organized under this chapter, as a condition  
30 of maintaining its privilege of organization, shall acquire  
31 and maintain insurance to protect each shareholder and each  
32 depositor against loss of funds held on account by the credit  
33 union. The insurance shall be obtained from the national  
34 credit union administrator or from some other share guarantor  
35 or insurance plan approved by the Iowa commissioner of

1 insurance and the superintendent, provided that each credit  
2 union shall acquire deposit insurance from the appropriate  
3 agency of the federal government.

4 Sec. 14. Section 533.308, subsection 2, Code 2011, is  
5 amended to read as follows:

6 2. The superintendent may furnish to any official of an  
7 insurance plan by which the accounts of a state credit union  
8 are insured or by which its employees and officials are bonded,  
9 any information relating to examinations, investigations,  
10 and reports of the status of that state credit union or  
11 its employees and officials for the purpose of facilitating  
12 the availability or continuation of the insurance or bond  
13 of the state credit union or resolution of a claim. The  
14 superintendent and the insurance company shall, whenever  
15 possible, execute a confidentiality agreement regarding  
16 the information provided by the superintendent that imposes  
17 standards of confidentiality comparable to those required by  
18 this chapter.

19 Sec. 15. Section 533.308, Code 2011, is amended by adding  
20 the following new subsection:

21 NEW SUBSECTION. 3. A state credit union may furnish to  
22 any official of an insurance plan by which the accounts of the  
23 state credit union are insured or by which its employees and  
24 officials are bonded, any information regarding transactions  
25 of the state credit union, examinations, investigations,  
26 or reports of the status of the state credit union or its  
27 employees and officials for the purpose of facilitating the  
28 availability or continuation of the insurance or bond of the  
29 state credit union or resolution of a claim. The state credit  
30 union and the insurance company shall, whenever possible,  
31 execute a confidentiality agreement regarding the information  
32 provided by the state credit union that imposes standards of  
33 confidentiality comparable to those required by this chapter.

34 Sec. 16. Section 533.309, subsection 1, Code 2011, is  
35 amended to read as follows:

1 1. *Ownership share account.* The ownership share account  
2 shall consist of an account balance held by the state credit  
3 union in accordance with the state credit union's bylaws. Each  
4 member may acquire only one ownership share. In the case of a  
5 joint account, the joint account owners may acquire only one  
6 ownership share unless each joint account owner applies for and  
7 is accepted as an individual member. ~~The state credit union~~  
8 ~~shall not set off fees against a member's ownership share.~~

9 Sec. 17. Section 533.325, subsection 1, Code 2011, is  
10 amended to read as follows:

11 1. The directors, officers, committee members, and  
12 employees of a state credit union shall hold in confidence all  
13 information regarding transactions of the state credit union,  
14 including information regarding transactions with its members  
15 and their personal affairs, except to the extent necessary in  
16 connection with ~~making~~ any of the following:

17 a. Making, extending, or collecting a loan or line of  
18 credit, ~~guaranteeing.~~

19 b. Guaranteeing of member share drafts by third parties, ~~or~~  
20 complying.

21 c. Communicating with an insurance company for the purpose  
22 of facilitating the availability or continuation of the  
23 insurance or bond of the state credit union or the resolution  
24 of a claim, pursuant to section 533.308, subsection 3.

25 d. Pursuant to a confidentiality agreement that is executed  
26 pursuant to section 533.108, subsection 1.

27 e. Complying with the examination of credit union records by  
28 regulatory authorities ~~or compliance.~~

29 f. Compliance with an order from a court having jurisdiction  
30 over the state credit union.

31 Sec. 18. Section 533.401, subsection 1, Code 2011, is  
32 amended to read as follows:

33 1. With the approval of the superintendent, a state credit  
34 union may merge with another credit union under the existing  
35 certificate of approval of the other credit union if the merger

1 is pursuant to a plan agreed upon by a majority of the board  
2 of directors of each credit union joining in the merger and  
3 the merger is approved by the affirmative vote of a majority  
4 of the members of the merging credit union ~~either by mail or~~  
5 ~~in person at a meeting called for the purpose of voting on the~~  
6 merger according to the provisions of section 533.203. At  
7 least twenty days' notice shall be provided between the sending  
8 of notice and the scheduled conclusion of the vote.

9 Sec. 19. Section 533.401, subsection 3, paragraph c, Code  
10 2011, is amended to read as follows:

11 ~~c. At the meeting called to consider the merger, a~~ A  
12 majority of the votes received, ~~by regular mail or in person,~~  
13 ~~upon the question~~ according to the method of voting selected  
14 by the board of directors pursuant to section 533.203, were in  
15 favor of the merger.

16 Sec. 20. Section 533.403, subsection 1, Code 2011, is  
17 amended to read as follows:

18 1. A state credit union may convert into a federal credit  
19 union with the approval of the administrator of the national  
20 credit union administration and by the affirmative vote of  
21 a majority of the credit union's members who vote on the  
22 proposal, according to the provisions of section 533.203. This  
23 ~~vote, if taken, shall be at a meeting called for that purpose~~  
24 ~~and shall be in the manner prescribed by the bylaws.~~

25 Sec. 21. Section 533.405, subsections 1, 2, and 6, Code  
26 2011, are amended to read as follows:

27 1. ~~At a special meeting called for that purpose, a~~ A state  
28 credit union may dissolve upon the affirmative vote of a  
29 majority of its members eligible to vote ~~at the special meeting~~  
30 according to the provisions of section 533.203. At least  
31 twenty days' notice shall be provided between the sending of  
32 notice and the scheduled conclusion of the vote.

33 ~~a. Notice of the meeting's purpose shall be contained in the~~  
34 ~~meeting's notice.~~

35 ~~b. Any member eligible to vote and not present at the~~

1 ~~meeting may, within twenty days after the date on which the~~  
2 ~~meeting was held, vote in favor of dissolution by signing a~~  
3 ~~statement in a form approved by the superintendent. This vote~~  
4 ~~shall have the same force and effect as if cast at the meeting.~~

5 2. a. The state credit union shall cease to do business  
6 except for the purposes of liquidation immediately upon giving  
7 sending notice of the special meeting called for the members'  
8 vote on dissolution.

9 b. The board of directors shall ~~immediately~~ notify the  
10 superintendent of the intention of the state credit union to  
11 dissolve within three business days of a vote by a majority of  
12 the board of directors in favor of dissolution, and prior to  
13 sending notice of the members' vote.

14 c. The state credit union shall not resume its regular  
15 business unless the dissolution fails to receive the required  
16 vote of the members or unless the members have revoked prior  
17 affirmative action to dissolve as provided for in subsection 6.

18 6. a. At any time prior to any distribution of its assets,  
19 a state credit union may revoke the voluntary dissolution  
20 proceedings by the affirmative vote of a majority of its  
21 members eligible to vote, according to the provisions of  
22 section 533.203. This vote, if taken, shall be at a special  
23 meeting called for that purpose in the manner prescribed by the  
24 bylaws. At least twenty days' notice shall be provided between  
25 the sending of notice and the scheduled conclusion of the vote.

26 b. ~~The~~ Upon the conclusion of the vote, the board of  
27 directors shall immediately notify the superintendent of any  
28 such action to revoke voluntary dissolution proceedings.

29 Sec. 22. Section 533.502, subsection 2, Code 2011, is  
30 amended to read as follows:

31 2. a. The superintendent shall ~~thereafter~~ manage the  
32 property and business of the state credit union until such time  
33 as the superintendent may relinquish to the state credit union  
34 the management, upon such conditions as the superintendent  
35 may prescribe, or until the affairs of the state credit

1 union are finally dissolved as provided in this chapter. The  
2 superintendent may operate and direct the affairs of the  
3 state credit union in its regular course of business. The  
4 superintendent may also collect amounts due the state credit  
5 union and do such other acts as are necessary or expedient to  
6 conduct the affairs of the state credit union and conserve or  
7 protect its assets, property, and business.

8 b. The superintendent may appoint one or more persons, with  
9 powers specified in the certificate of appointment, to assist  
10 the superintendent in the duty of management, conservation, or  
11 dissolution and distribution of the business and property of a  
12 state credit union.

13 c. During the period of the superintendent's management of  
14 the property and business of the state credit union, and prior  
15 to the time that the superintendent may apply to the district  
16 court for appointment as receiver, the superintendent may  
17 assess the state credit union for costs and expenses incurred  
18 by the division in the management of the state credit union.  
19 Costs and expenses shall include but not be limited to costs  
20 and expenses for salaries and benefits, expenses and travel  
21 for employees, office facilities, supplies, equipment, and  
22 administrative costs and expenses incurred in the management of  
23 the state credit union.

24 EXPLANATION

25 This bill relates to matters under the purview of the credit  
26 union division of the department of commerce.

27 The bill modifies provisions prohibiting disclosure of  
28 confidential information pertaining to the supervision and  
29 regulation of a specific state credit union or of other  
30 persons. The bill provides that, notwithstanding the general  
31 prohibition on disclosure, the superintendent of credit unions  
32 or an employee of the credit union division may disclose  
33 information relating specifically to the supervision and  
34 regulation of a specific state credit union or of other persons  
35 if the credit union or other person consents in writing to

1 the disclosure and the persons to whom the disclosures are  
2 made are subject to, or agree to comply with, standards of  
3 confidentiality comparable to those contained in Code chapter  
4 533. The bill references Code sections 533.113 and 533.308  
5 as constituting exceptions to the general prohibition. In  
6 connection specifically to Code section 533.308, relating to  
7 the furnishing to officials of an insurance plan and specified  
8 information to facilitate the availability or continuation  
9 of insurance or a bond, or the resolution of a claim, the  
10 bill adds that the superintendent and the insurance company  
11 shall, whenever possible, execute a confidentiality agreement  
12 regarding the information provided by the superintendent.

13 The bill specifies that the annual fees referenced in Code  
14 section 533.112 payable by state credit unions refer to one  
15 annual fee relating to examination and supervision, based on  
16 the actual cost of operating the credit union division. The  
17 bill provides that the cost of operating the credit union  
18 division shall include but not be limited to costs and expenses  
19 for salaries and benefits, expenses and travel for employees,  
20 office facilities, supplies, equipment, and administrative  
21 costs and expenses incurred in the discharge of the duties  
22 imposed on the superintendent under Code chapter 533. The bill  
23 provides that the cost of operating the credit union division  
24 shall also include but not be limited to the costs incurred  
25 due to additional time and other division resources required  
26 for either performing services for the credit union that are  
27 customarily performed by the credit union, or performing  
28 services related to a particular examination that exceed  
29 estimates for an individual credit union's examination based on  
30 specified factors, and that an individual fee assessment for  
31 such costs may be made in addition to a credit union's annual  
32 fee. The bill states that the annual fee may be paid in one or  
33 more installments, as provided by rule by the superintendent.

34 The bill also provides that a separate examination fee shall  
35 be payable by a corporation, credit union service organization,



1 or other person subject to an examination pursuant to Code  
2 section 533.113 in an amount determined by the superintendent,  
3 which shall reflect but not be limited to the time required  
4 for the examination and the costs of the examination. The  
5 bill provides that the costs of the examination shall include  
6 components similar to the previously referenced fee payable  
7 by state credit unions including but not be limited to costs  
8 and expenses for salaries and benefits, expenses and travel  
9 for employees, office facilities, supplies, equipment, and  
10 administrative costs and expenses incurred in the discharge  
11 of duties imposed upon the superintendent. The bill provides  
12 that this examination fee shall be due within 30 days of  
13 presentation of the fee statement to the corporation, credit  
14 union service organization, or other person examined by the  
15 division. Further, the bill specifies that the assessment of a  
16 credit union, credit union service organization, corporation,  
17 or other person subject to an examination for the expense  
18 of accountants, investigators, and other experts reasonably  
19 necessary to assist in the conduct of the examination, is  
20 separate from and not included in the annual fee.

21 The bill deletes a provision in Code section 533.309  
22 that prohibits credit unions from setting off fees against  
23 a member's ownership share. The bill modifies provisions  
24 contained in Code sections 533.210 and 533.302 relating to  
25 withdrawing members providing advance notice of the withdrawal  
26 of shares or deposits in the credit union, and referring to  
27 expelled or withdrawn members.

28 The bill additionally coordinates voting procedures  
29 throughout Code chapter 533 pursuant to modifications to  
30 Code section 533.203. The bill provides that when a vote  
31 is required, the board of directors of the credit union by  
32 majority vote shall select one of several alternative methods  
33 for conducting the vote, unless a procedure for a particular  
34 vote is otherwise specified. The alternative methods include  
35 by a vote of a majority of the members present at a meeting,

1 if that number constitutes a quorum and if the proposed vote  
2 was contained in the notice of the meeting; by a majority vote  
3 of members voting by mailed or electronic ballot according  
4 to procedures specified by rule of the superintendent or  
5 as specified in the bylaws; or by a combination of these  
6 procedures as established by rule of the superintendent or  
7 as specified in the bylaws. The bill provides that notice  
8 shall be given to members of the results of the vote, and  
9 that ballots of members shall be preserved for at least  
10 60 days after the results are tallied and notice given to  
11 members, and until any challenge is resolved. The bill  
12 further provides that voting shall remain confidential and  
13 secret from all interested parties, that each member is only  
14 allowed to vote once, that the board of directors may satisfy  
15 notice requirements by sending the notice electronically to  
16 members who have opted to receive notices electronically,  
17 and that credit unions may send account statements and  
18 other communications electronically to members who opt to  
19 receive communications electronically. Comparable provisions  
20 are included with reference to amending the articles of  
21 incorporation or the bylaws of a credit union, provided a  
22 majority of the board of directors votes to proceed with  
23 such an amendment. Additionally, the bill relocates current  
24 provisions regarding votes to modify, amend, reverse, or  
25 instruct the board of directors contained in Code section  
26 533.203 to a separate Code section 533.203A, and specifies  
27 notice durations. The bill references the modified voting  
28 procedures with regard to several forms of voting in Code  
29 chapter 533, and provides applicable notice requirements.  
30 The bill addresses elections of the board of directors,  
31 modifying Code section 533.204 to refer to ongoing annual  
32 meetings, as well as the initial election of the board.  
33 Membership of the board is changed from not less than nine  
34 members to consisting of at least seven members, serving  
35 staggered terms of three years. The bill provides that the

1 board may appoint an alternate member of the credit union's  
2 auditing committee, in addition to currently authorized  
3 appointments to a credit committee; and changes the voting  
4 requirements for suspensions of any officer, director, or  
5 member of the auditing committee from a unanimous to a majority  
6 vote.

7 The bill provides, with reference to management of a state  
8 credit union by the superintendent under the extraordinary  
9 circumstances specified in Code chapter 533, that the  
10 superintendent may operate and direct the affairs of the state  
11 credit union in its regular course of business, to collect  
12 amounts due the state credit union, and do such other acts as  
13 are necessary or expedient to conduct the affairs of the state  
14 credit union and conserve or protect its assets, property,  
15 and business. The bill authorizes the superintendent to  
16 appoint one or more persons, with powers specified in the  
17 certificate of appointment, to assist the superintendent in  
18 the duty of management, conservation, or dissolution and  
19 distribution of the business and property of a state credit  
20 union. Additionally, the bill provides that during the period  
21 of the superintendent's management, and prior to the time  
22 that the superintendent may apply to the district court for  
23 appointment as receiver, the superintendent may assess the  
24 state credit union for costs and expenses incurred by the  
25 division in the management of the state credit union. These  
26 costs and expenses shall include but not be limited to costs  
27 and expenses for salaries and benefits, expenses and travel  
28 for employees, office facilities, supplies, equipment, and  
29 administrative costs and expenses incurred in the management of  
30 the state credit union.

31 The bill also deletes an outdated reference to the federal  
32 office of thrift supervision.